

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01583A
Las Quintas Serenas Water Co., Inc.
PO Box 68
Sahuarita, AZ 85629

L

RECEIVED

APR 16 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

09	30	2007
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FOR COMMISSION USE

ANN04	07
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4-16-08

COMPANY INFORMATION

Company Name (Business Name) Las Quintas Serenas Water Company

Mailing Address PO BOX 68
(Street)

Sahuarita

(City)

AZ

(State)

85629

(Zip)

(520) 625-8040

Telephone No. (Include Area Code)

(520) 648-3520

Fax No. (Include Area Code)

(520) 403-9354

Pager/Cell No. (Include Area Code)

Email Address lqswater@aol.com

Local Office Mailing Address PO Box 68
(Street)

Sahuarita

(City)

AZ

(State)

85629

(Zip)

(520) 625-8040

Local Office Telephone No. (Include Area Code)

(520) 648-3520

Fax No. (Include Area Code)

(520) 403-9354

Pager/Cell No. (Include Area Code)

Email Address lqswater@aol.com

MANAGEMENT INFORMATION

Management Contact: _____
(Name) (Title)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Kaycee Conger
(Name)

75 W. Calle de Las Tiendas

(Street)

Green Valley

(City)

AZ

(State)

85614

(Zip)

(520) 625-8040

Telephone No. (Include Area Code)

(520) 648-3520

Fax No. (Include Area Code)

(520) 403-9354

Pager/Cell No. (Include Area Code)

Email Address lqswater@aol.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Ray Romero, General Manager
(Name)

75 W. Calle de Las Tiendas Ste 115-B Green Valley AZ 85614
(Street) (City) (State) (Zip)

(520) 625-8040 (520) 648-3520 (520) 403-9354
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Laurence V Robertson Jr.
(Name)

PO Box 1448 Tubac AZ 85646
(Street) (City) (State) (Zip)

(520) 398-0411 (520) 398-0412
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

X Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	217	0	217
304	Structures and Improvements	12,229	1,660	10,569
307	Wells and Springs	314,484	121,903	192,581
311	Pumping Equipment	119,815	99,327	20,488
320	Water Treatment Equipment	1,740	920	820
330	Distribution Reservoirs and Standpipes	99,896	62,161	37,735
331	Transmission and Distribution Mains	903,698	507,565	396,133
333	Services	2,427	627	1,800
334	Meters and Meter Installations	101,418	101,418	0
335	Hydrants	0	0	0
336	Backflow Prevention Devices	1,137	617	520
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	26,483	10,841	15,642
341	Transportation Equipment	26,792	20,299	6,493
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	2,592	974	1,618
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	7,589	5,128	2,461
348	Other Tangible Plant	0	0	0
	TOTALS	1,620,517	933,440	687,077

This amount goes on the Balance Sheet Acct. No. 108 

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	217	0	0
304	Structures and Improvements	12,229	3.33%	407
307	Wells and Springs	314,484	3.33%	10,472
311	Pumping Equipment	119,815	12.50%	14,977
320	Water Treatment Equipment	1,740	3.33%	50
330	Distribution Reservoirs and Standpipes	99,896	2.22%	2,218
331	Transmission and Distribution Mains	903,698	2.00%	18,074
333	Services	2,427	3.33%	81
334	Meters and Meter Installations	101,418	8.33%	8,118
335	Hydrants	0	2.00%	0
336	Backflow Prevention Devices	1,137	6.67%	76
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	26,483	6.67%	1,766
341	Transportation Equipment	26,792	20.00%	5,358
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	2,592	5.00%	130
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	7,589	10.00%	759
348	Other Tangible Plant	0	0	0
	TOTALS	1,620,517	N/A	62,486

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
		10/01/06	09/30/07
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$36,248	\$102,872
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	6,683	10,837
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	3,796	4,377
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	163,739	130,154
	TOTAL CURRENT AND ACCRUED ASSETS	\$210,466	\$248,241
	FIXED ASSETS		
101	Utility Plant in Service	\$1,617,152	\$1,620,517
103	Property Held for Future Use	189,345	355,779
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	(870,954)	(933,440)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$935,543	\$1,042,856
	TOTAL ASSETS	\$1,146,009	\$1,291,097

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES	10/01/06	09/30/07
	CURRENT LIABILITES		
231	Accounts Payable	\$0	\$0
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	39,257	38,088
236	Accrued Taxes	25,413	59,580
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$64,670	\$96,668
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$0	\$0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction	426,399	412,498
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction *	283,303	297,203
272	Less: Amortization of Contributions *	(118,202)	(139,188)
281	Accumulated Deferred Income Tax	0	762
	TOTAL DEFERRED CREDITS	\$591,500	\$571,275
	TOTAL LIABILITIES	\$656,170	\$667,943
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$2,550	\$2,550
211	Paid in Capital in Excess of Par Value	5,180	5,180
215	Retained Earnings	482,109	615,424
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$489,839	\$623,154
	TOTAL LIABILITIES AND CAPITAL	\$1,146,009	\$1,291,097

* Includes Off-Site Improvement Fees

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR 09/30/06	CURRENT YEAR 09/30/07
461	Metered Water Revenue	\$344,501	\$437,042
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	8,915	66,793
	TOTAL REVENUES	\$353,416	\$503,835
	OPERATING EXPENSES		
601	Salaries and Wages	\$150,182	\$123,754
610	Purchased Water	0	0
615	Purchased Power	44,604	46,198
618	Chemicals	0	49
620	Repairs and Maintenance	18,083	11,042
621	Office Supplies and Expense	9,042	9,808
630	Outside Services	8,526	26,297
635	Water Testing	2,343	2,543
641	Rents	11,081	11,374
650	Transportation Expenses	5,235	7,082
657	Insurance – General Liability	2,358	2,685
659	Insurance - Health and Life	7,465	8,250
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	7,349	12,817
403	Depreciation Expense *	15,328	41,500
408	Taxes Other Than Income **	21,919	11,682
408.11	Property Taxes	19,972	17,559
409	Income Tax	50	37,781
	TOTAL OPERATING EXPENSES	\$323,537	\$370,421
	OPERATING INCOME/(LOSS)	\$29,879	\$133,413
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$7,710	\$4,740
421	Non-Utility Income	7,968	543
426	Miscellaneous Non-Utility Expenses	0	(5,158)
427	Interest Expense	0	(222)
	TOTAL OTHER INCOME/(EXPENSE)	\$15,678	(\$98)
	NET INCOME/(LOSS)	\$45,557	\$133,315

* Depreciation.....	\$62,667	\$62,486
Amortization of Contributions & Off-site Improvement Fees	(47,339)	(20,986)
	<u>\$15,328</u>	<u>\$41,500</u>

** Includes adjustment for Deferred taxes of	\$4,076	\$446
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SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 30,103

Meter Deposits Refunded During the Test Year \$ 12,334

COMPANY NAME Las Quintas Serenas Water Company

Name of System

ADEQ Public Water System Number (if applicable) 10064

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
#5 – 55608531	40	200	513-805	10” – 8”	6”	1976
#6 – 55608530	75	450	837	12”	6”	1971
#7 – 55566940	150	650-850	910	12”	4”	1998

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A		N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
30,000 Gallons	1	3,000 Gallons	1
60,000 Gallons	1	5,000 Gallons	5

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Las Quintas Serenas Water Company	
Name of System	ADEQ Public Water System Number (if applicable) 10064

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Copper	250
3	Transite	240
4	Transite	19,840
5	N/A	N/A
6	Transite	32,487
8	Transite	2,760
10	Transite	420
12	Transite	1,340
2	Plastic	1,550
4	Plastic	5,109
6	Plastic	25,158
8	Plastic	10,610
12	Plastic	1,950
6	Ductile Iron	575

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	810
3/4	6
1	29
1 1/2	6
2	3
Comp. 3	1
Turbo 3	0
Comp. 4	2
Tubo 4	0
Comp. 6	0
Tubo 6	0
Standpipe	156

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

Steel portable shed 8' x 20' at Well #5 & Steel portable shed 8' x 40' at Well # 6.

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Las Quinta Serenas Water Company	
Name of System	ADEQ Public Water System Number (if applicable) 10064

WATER USE DATA SHEET BY MONTH FOR FISCAL YEAR 9/30/2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY 2007	1021	8,890,700	9,204,000	0
FEBRUARY 2007	1017	11,094,000	11,989,000	0
MARCH 2007	1015	12,044,400	12,562,000	0
APRIL 2007	1009	12,140,800	12,555,000	0
MAY 2007	1017	15,145,600	15,689,000	0
JUNE 2007	1021	18,576,600	19,721,000	0
JULY 2007	1024	17,479,100	17,996,700	0
AUGUST 2007	1022	14,820,700	15,369,300	0
SEPTEMBER 2007	1015	15,592,700	17,271,000	0
OCTOBER 2006	1015	13,646,900	13,802,000	0
NOVEMBER 2006	1020	14,437,600	15,332,600	0
DECEMBER 2006	1013	12,042,500	12,119,400	0
TOTALS →		165,911,600	173,611,000	0

1021 What is the level of arsenic for each well on your system? _____ mg/l

(If more than one well, please list each separately.) Well #5 .0081, Well #6 .0115, Well #7 .0096

Results taken from MAP analysis results 11/16/07

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes (x) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(x) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(x) Yes () No

If yes, provide the GPCPD amount: 121.0

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Las Quintas Serenas Water Company YEAR ENDING 09/30/2007

PROPERTY TAXES

Amount of actual property taxes paid during Fiscal Year 2006 was: \$ 19,683.70

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 16 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Ray Romero, General Manager</u>
COMPANY NAME	<u>Las Quintas Serenas Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>09</u>	<u>30</u>	<u>2007</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



STACY GUNN
Notary Public - Arizona
Pima County
Expires 10/15/09

Ray Romero

SIGNATURE OF OWNER OR OFFICIAL

570-625-8040

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

20

DAY OF

April

(SEAL)

COUNTY NAME	<u>Pima</u>
MONTH	<u>April</u>
	<u>2008</u>

Stacy Gunn

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 10-15-09

COMPANY NAME Las Quintas Serenas Water Company

YEAR ENDING 09/30/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$112,287</u>
Estimated or Actual Federal Tax Liability	<u>\$27,042</u>

State Taxable Income Reported	<u>\$176,389</u>
Estimated or Actual State Tax Liability	<u>\$10,739</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

04/02/08
DATE

Ray Romero
PRINTED NAME

General Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 16 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima
NAME (OWNER OR OFFICIAL) TITLE Ray Romero, General Manager
COMPANY NAME Las Quintas Serenas Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
09	30	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING FISCAL YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 475,735.11

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 27,866.14
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
570-625-8040

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30 **DAY OF**

(SEAL)

COUNTY NAME <u>Pima</u>	
MONTH <u>June</u>	20 <u>08</u>

MY COMMISSION EXPIRES 10 15 2009



SIGNATURE OF NOTARY PUBLIC



STACY GUINN
Notary Public - Arizona
Pima County
Expires 10/15/09

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 16 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Ray Romero	TITLE General Manager
COMPANY NAME Las Quintas Serenas Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

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SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING FISCAL YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 353,283.87

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 21,546.08

IN SALES TAXES BILLED, OR COLLECTED)

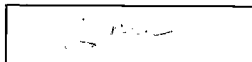
***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL
(520) 625-8040
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



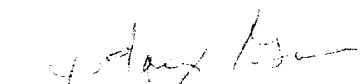
DAY OF

NOTARY PUBLIC NAME Stacy Gunn	
COUNTY NAME Pima	
MONTH 10/15/09	20 09

(SEAL)

MY COMMISSION EXPIRES

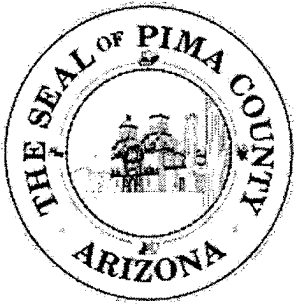
X


SIGNATURE OF NOTARY PUBLIC



STACY GUNN
Notary Public - Arizona
Pima County
Expires 10/15/09

See Accountant's Compilation Report



Beth Ford

Pima County Treasurer

Parcel: 30341048B
7

Total
Taxes: \$467.18

Tax Year: 2006

As of Date: 09/30/2007

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2006	05/22/2007
Method:	CK	CK
Tax Paid:	\$233.59	\$233.59
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.00	\$3.11

PARCEL INFORMATION

Area Code: 3002

Taxpayer Name/Address:

LAS QUINTAS SERENAS WATER CO
KAYCEE CONGER/ADMINISTRATIVE MANAG
PO BOX 68
SAHUARITA AZ 85629

Property Address:

17312 S LA CANADA DR

TAX DUE SUMMARY

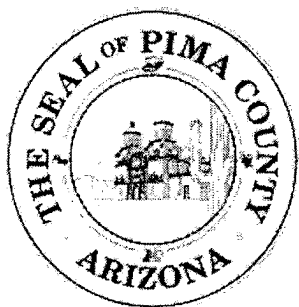
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

PTN N2 NE4 SE4 LYG N OF TWIN BUTTES RD
EXC N100' W360' E435' .66 AC SEC 22-17-13
TOTAL VALUE OF OPERATING PROPERTY
TAXPAYER
GROUP NO 326

HISTORY TAX ROLL CHANGE

2005 \$510.79
2004 \$518.92
2003 \$547.48
2002 \$553.92
2001 \$545.94



Beth Ford

Pima County Treasurer

Parcel: 303470430
2

Total
Taxes: \$17.77

Tax Year: 2006

As of Date: 12/31/2007

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2006	10/31/2006
Method:	CK	CK
Tax Paid:	\$17.77	\$0.00
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 3002

Taxpayer Name/Address:

LAS QUINTAS SERENAS WATER CO
KAYCEE CONGER/ADMINISTRATIVE
MANAG
PO BOX 68
SAHUARITA AZ 85629

Property Address:

TAX DUE SUMMARY

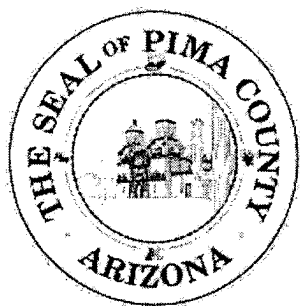
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

SANTO TOMAS VILLAGE LOT 37 WELLSITE
TOTAL VALUE OF OPERATING WATER CO -
TAXPAYER
GROUP NO 326

HISTORY TAX ROLL CHANGE

2005 \$19.34
2004 \$19.66
2003 \$20.76
2002 \$17,188.34
2001 \$17,975.62



Beth Ford

Pima County Treasurer

Parcel: 30347192J
8

Total
Taxes: \$488.45

Tax Year: 2006

As of Date: 12/31/2007

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2006	05/22/2007
Method:	CK	CK
Tax Paid:	\$244.23	\$244.22
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.00	\$3.26

PARCEL INFORMATION

Area Code: 3002

Taxpayer Name/Address:

LAS QUINTAS SERENAS WATER CO
KAYCEE CONGER/ADMINISTRATIVE
MANAG
PO BOX 68
SAHUARITA AZ 85629

Property Address:

TAX DUE SUMMARY

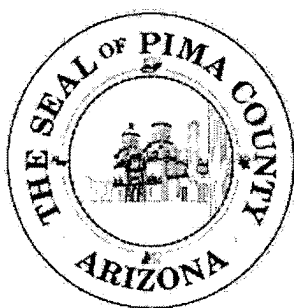
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

N203.35' OF S226.52' OF NE4 SW4 LYG W OF
HWY &
EXC W1086.49' & EXC PCL ADJ TO SE CORN
THEREOF
.69 AC SEC 26-17-13
TOTAL VAL OF OP PROP-GROUP NO 326

HISTORY TAX ROLL CHANGE

2005 \$533.98
2004 \$542.50
2003 \$572.36
2002 \$579.10
2001 \$570.76



Beth Ford

Pima County Treasurer

Parcel: 30347573B
2

Total
Taxes: \$132.61

Tax Year: 2006

As of Date: 12/31/2007

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2006	05/22/2007
Method:	CK	CK
Tax Paid:	\$66.31	\$66.30
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.00	\$0.88

PARCEL INFORMATION

Area Code: 3002

Taxpayer Name/Address:

LAS QUINTAS SERENAS WATER CO
KAYCEE CONGER/ADMINISTRATIVE MANAG
PO BOX 68
SAHUARITA AZ 85629

Property Address:

1222 W VIA DE SANTO TOMAS

TAX DUE SUMMARY

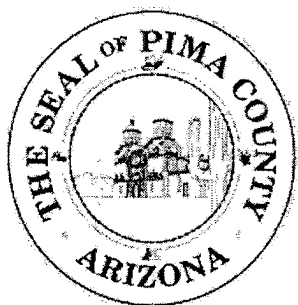
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

MESQUITE HEIGHTS S69' LOT 27
TOTAL VALUE OF OPERATING
PROPERTY-TAXPAYER
GROUP NO 326

HISTORY TAX ROLL CHANGE

2005 \$145.02
2004 \$147.34
2003 \$155.46
2002 \$157.28
2001 \$155.04



Beth Ford

Pima County Treasurer

Parcel: 30347574B
5

Total
Taxes: \$134.80

Tax Year: 2006

As of Date: 12/31/2007

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	10/31/2006	05/22/2007
Method:	CK	CK
Tax Paid:	\$67.40	\$67.40
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.00	\$0.90

PARCEL INFORMATION

Area Code: 3002

Taxpayer Name/Address:

LAS QUINTAS SERENAS WATER CO
KAYCEE CONGER/ADMINISTRATIVE MANAG
PO BOX 68
SAHUARITA AZ 85629

Property Address:

TAX DUE SUMMARY

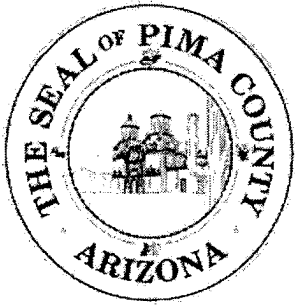
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$0.00

Legal Description:

MESQUITE HEIGHTS S69' LOT 28
TOTAL VALUE OF OPERATING
PROPERTY-TAXPAYER
GROUP NO 326

HISTORY TAX ROLL CHANGE

2005 \$147.35
2004 \$149.71
2003 \$157.96
2002 \$159.80
2001 \$157.50



Beth Ford

Pima County Treasurer

Parcel: 932630020
5

Total Taxes: \$18,442.89 Tax Year: 2006

As of Date: 12/31/2007

CAUTION:

Interest information MAY NOT be accurate for tax years prior to 2007.

Please contact our delinquent tax department at (520) 740-3785 for verification.

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$122.95
Date Paid:	10/31/2006	05/22/2007
Method:	CK	CK
Tax Paid:	\$9,221.45	\$9,098.49
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.00	\$122.95

PARCEL INFORMATION

Area Code: 3002

Taxpayer Name/Address:

LAS QUINTAS SERENAS WATER CO
KAYCEE CONGER/ADMINISTRATIVE
MANAG
PO BOX 68
SAHUARITA AZ 85629

Property Address:

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$122.95	\$122.95
Interest:	\$0.00	\$11.48	\$11.48
	\$0.00	\$134.43	\$134.43
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$134.43

Legal Description:

TOTAL VALUE OF OPERATING PROPERTY
TAXPAYER GROUP NO 326

HISTORY TAX ROLL CHANGE

2005 \$19,481.01

2004 \$18,711.31

2003	\$18,424.32
2002	\$0.00
2001	\$0.00

Beth Ford
Pima County Treasurer
Receipt for Payment of Tax

Print Date: 03/24/2008

Processing Date: 06/18/2007

Receipt #: RD08-0000161708

Payment Date: 06/08/2007

LAS QUINTAS SERENAS WATER CO
ATTN: STEVE GAY/MGR
PO BOX 68
SAHUARITA AZ 85629

Transaction Detail

Parcel	CertNo	Per & Yr	Tax Due	Interest	Penalty to Assignee	Penalty to County	Fees	Int from Assignment	Redem Fee	LineTotal
932630020		S 2006	122.95	1.64	0.00	\$0.00	0.00	0.00		124.59
Totals:			\$122.95	\$1.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$124.59

Payments Detail

Document Date	Payment Type	Document No	Notes	Amount
06/08/2007	CH	8337		122.95
06/08/2007	SH	8337		1.64
				<u>\$124.59</u>